

# The American Observer

*A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe*

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FEBRUARY 3, 1936

## Depression Adds to Problems of Youth

**Reports Show One of Every Four High School Graduates Cannot Find Employment**

### KEENER COMPETITION SEEN

**Greater Ability and Training Needed in Future for Success in Industry or Professions**

What are you planning to do when you leave high school or college? Do you expect to go out into the business world and find a job? Or are you preparing for one of the professions, such as law, medicine, or teaching? If so, what are your chances of finding work—work that you want to make a career of and work that you are fitted for? These, and a dozen other questions of similar nature, are perhaps the most real of all the problems confronting the young people who are in high school or college today. You may not have to face them immediately, for if there remain a few years in school you can always put off the fateful day when you must answer them. And to most young people, the question, "What am I going to do when I get out of school?" is a constant nightmare and worry.

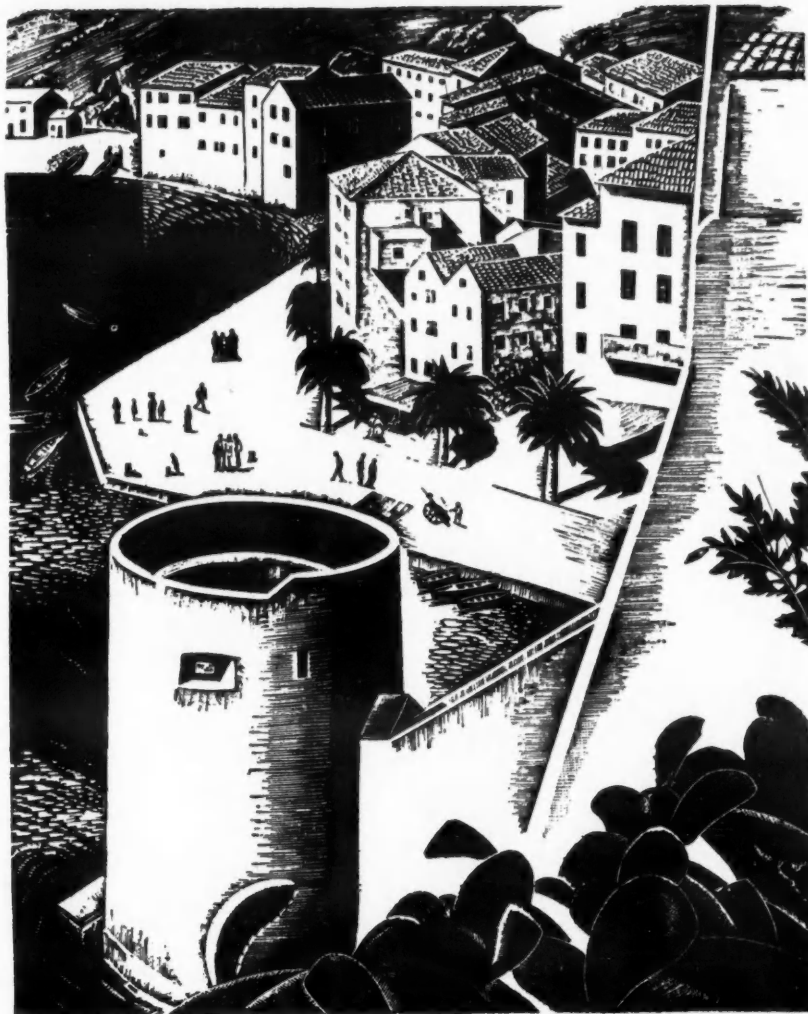
### Opportunity Fades

These questions are particularly perplexing today, for the answer is not easy to find. Those finishing their school work a generation or two ago had no such problem staring them in the face. It has always been assumed that those who had energy and ability, those who were trained for work of one kind or another, could always find it. And this was generally the case, for America was a land of opportunity. If the prospects for earning a living on the farm were not bright, young people could move to the cities where jobs of one kind or another were easy to find. Or if things were going badly in the cities, young people could move to the country and earn a living there. But the youth of today has no such golden opportunity. A young person may want work. He may be energetic and have ability. He may be well trained to start upon his life's career. However, when it comes to finding the job, he may encounter grave difficulties. He may find that the profession he wants to enter is already overcrowded. We know that there are more doctors, more teachers, more lawyers than there are jobs for them. We know that openings in the business world are all too rare and that it is difficult for a young person to land the job of which he has been dreaming for years.

If you should enter an employment agency in New York City or Chicago or St. Louis or San Francisco, you would find every morning dozens of young people, some of them just out of high school and others with a college education. They want work. Most of them are prepared to do something. But they find it difficult to get jobs. Morning after morning they trek to the agency. In despair, they say they will take anything there is to tide them over while waiting for the one job they want. Even then, many of them discover there is nothing to do.

This is not an imaginary situation. There are today in the United States millions of young people who have been unable to find jobs. There are more than 20,000,000

(Concluded on page 8)



CORSICA, AN ISLAND, BUT PART OF FRANCE

From a woodcut by Iain MacNab in "Artists' Country," (Studio Publication, Inc.)

## Lest We Forget

In the discussion of employment possibilities for young men and women which appears in THE AMERICAN OBSERVER this week, we do not paint as bright a picture as we would like to furnish our readers. It would be pleasant to say that all deserving young people find ready opportunity in this land for the exercise of their talents. We would like to say that the doors are wide open in America and that every boy or girl has a chance for success limited only by his powers and purposes. Some people find these words so pleasant that they go on repeating them, heedless of the fact that several million youths are pounding the streets today looking eagerly, but with fading hope, for jobs which no one will give them.

It doesn't do any good to make statements which aren't true just because we wish they were. It is better to know the facts and to look them in the face. The facts of the employment situation, though bad enough, are not hopeless. Every young person of good natural ability, of energy and determination can still look forward with quite a little confidence. There is an excellent chance that he will find himself after a while among the two thirds or so who secure jobs of some sort. This knowledge should furnish incentive for hard, conscientious work. Competition is keener than it was a few years ago. It is likely to remain so. It will be harder to get jobs. The penalty for not having a good record and a sound preparation will be heavier. The necessity of thorough training is more imperative. But the most promising students who are in school today have very good chances of getting positions after graduation.

But the chances aren't good enough to give excuse for complacency. And no good American will be satisfied merely to get in ahead of his less fortunate fellows in the scramble for an inadequate supply of jobs. The good patriot will want the American dream of opportunity for all to come true. He won't shut his eyes to reality and pretend that it has already come true. He won't say such a thing so long as he knows there are fewer jobs than there are deserving applicants. He will insist that a way be found in this country to give everyone a chance. In the fight to make this a land of universal opportunity, youth should take the lead. Many to whom we look for leadership are losing interest. Some of them think that, because production and profits are rising, because reports of recovery are in the air, because, perhaps, their own incomes are increasing, the battle is already won. There is real danger in this false optimism. There is danger today that majorities will forget the millions who are still insecure and even desperate in the face of a fair degree of national recovery. If those who fancy themselves secure forget, then those who realize how unsteady our economic foundations are must assume responsibility. At a time when there is a tendency to be overcomplacent it would be well for all of us to turn in thoughtful humility to the late Rudyard Kipling's reverent appeal, "Lord God of Hosts, be with us yet; Lest we Forget, Lest we Forget."

## France Prepares to Elect New Deputies

**Chamber Faces Same Economic Problems Which Have Caused Many Cabinets to Fall**

### RIGHT-LEFT WINGS BATTLE

**New Position of Radical Socialists under Daladier to Be Important Political Factor**

Next month, or soon after, voters in the 90 departments of the French republic will cast their ballots for a new Chamber of Deputies, the lower and most important house of the national parliament. The Chamber of Deputies plays the major part in the enacting of legislation. It is also the chief influence in the actual running of the government, for the cabinet, to which this duty is entrusted, is composed mostly of members of the Chamber and is dependent upon the support of that body for its political life. Thus, the deputies are the government of France. Theirs is the praise and theirs is the blame for whatever happens. In recent years they have drawn nothing but blame upon their shoulders, for the course of French affairs has been running anything but smoothly.

### Next Years Critical

The campaign preceding the elections will be brief but stirring for much may depend upon the outcome. It seems that during the next four years—the legal term of a Chamber of Deputies—France will pass through one of the most critical periods of her history. This may be said for two reasons. First, most observers agree that the question of peace or war for Europe will be answered before 1940. Perhaps the power to fashion this answer will rest with the very deputies who will be elected. In any event their actions are bound to affect the stream of international affairs.

The second reason is perhaps more pressing at this particular moment. France has been sinking ever deeper into the mire of depression. The outgoing Chamber, in its efforts to provide a solution to the many and aggravating problems, has been tried and found wanting. The nation has now been brought to the point where that solution must be brought into sight if a new and greater crisis, with unpredictable consequences on the political and economic system, is to be avoided. The occasional armed clashes among the French citizenry during the last two years are significant straws in the prevailing winds of discontent.

What is the trouble with France? Roughly, it may be compared to those which affected the United States prior to 1933 and which linger persistently to this day. They are the same old problems of unemployment and business decline, of loss of foreign trade, of falling revenues, of budget deficits, of agricultural ills, and—what, by comparison, is hardly felt in the United States—of crushingly high taxes. According to P. J. Philip, Paris correspondent of the New York Times, "during the past two years especially there have been few farms and few businesses that have been running at a profit in France. Virtually every industry is bankrupt or near it, and the number of business failures each month has become alarming."

Ten separate cabinets have tried, since 1932, to cope with these difficulties. None



of them, however, has been able or willing to strike out and try to find a solution by bold experimentation. In this respect France has not imitated Great Britain and the United States. As early as 1931 the British resorted to decisive action by calling into power a national government drawn from all parties. This government promptly abandoned the gold standard in order to lower the price of British goods on world markets and increase foreign trade. It embarked upon a stern program of national economy to balance the budget. Whether or not these and other measures are directly responsible or not, it is a fact that Great Britain today is enjoying a measure of prosperity which she did not know in 1931.

Likewise, the United States resorted to experimentation in 1933. Under the banner of the New Deal, the government of this country has brought into play a host of new and untried ideas and measures. The effect and soundness of these measures is now a subject of bitter debate. Whether or not they have given us what prosperity we now have is a question which is variously answered. It is undeniable, however, that we are better off than we were in the chill winter of 1933.

#### No Experiments

While these things were going on in other parts of the world the government of France stood relatively still. The Chamber of Deputies, to be sure, brought some economies in government; it helped to sustain business and agriculture by a certain amount of government spending. It has not, however, been able to revive stagnant markets either at home or abroad for the products of French farms and industries. The steady business decline has had its influence on government revenues with the result that the French treasury must now seek a loan from England to tide the nation over until after the election.

This failure to relieve the burdens of depression has naturally placed the Chamber of Deputies in ill repute. It has been charged with incapacity to govern as it has wavered between radical and conservative policies, clinging for the most part to the conservative. It has held fast to the gold standard despite the pleas of many that France should follow Britain, the United States, and other nations, in devaluating its currency in an effort to revive foreign trade and give an inflationary impetus to domestic business. It has been argued by those more radically inclined that France cannot do business in world markets when most currencies have a value less than her own. French goods must remain expensive and at a loss for foreign customers as long as this situation persists. Let us abandon the gold standard, cry many French people, and do as other nations have done.

But the Chamber of Deputies and the cabinets it has supported have kept their backs turned on currency devaluation. They recall that once before, in 1926, the franc was cut down from 20 cents to four cents. This was a severe blow to the millions of French people who have their life savings invested in government bonds and other securities of fixed valuation. They are bitterly opposed to further devaluation and the government has obeyed their will. It has protected them against loss.

Are these people in a majority? Is devaluation of the franc bound to come and will it bring the hoped-for results? Will it revive business in France or will it prove to be just another temporary stimulus? These are questions which must be left to the elec-

tions and to the ensuing Chamber of Deputies for an answer.

Meanwhile French politicians are girding themselves for combat. Conservatives, moderates, and radicals will make desperate efforts to increase their representation in the Chamber of Deputies. It is difficult to say how their fortunes will fare. It seems that the conservatives, the Right parties, will find trouble in making gains for they approve, generally, the policies which the government has followed and which, in a great many cases, are now decidedly unpopular.

The moderates, who have been the controlling influence in parliament and have been heavily represented in one cabinet after another, are likewise coming in for a great deal of criticism. Unless they recapture favor with the people, they are likely to meet with losses to the radicals, represented by the Socialists, who have been clamoring for drastic reforms.

The Radical Socialists, however, who comprise the chief moderate party, have swung leftward in anticipation of the election. They recently withdrew their members from the Laval cabinet and forced its resignation. They do not want to go before the people with nothing better to offer than the roundly criticized policies of the recent Laval government. They have thus assumed a more radical label by electing Edouard Daladier, one of the greatest enemies of the conservatives, to the leadership of their party. Under this leadership they will seek to profit from the more radical sentiment prevailing throughout the country with good chances of success. Meanwhile, a temporary cabinet under Albert Sarraut, an important deputy, has been placed in power.

So far as can be seen now, therefore, the coming elections will bring an increase in radical deputies in the Chamber of Deputies and this will pave the way for more experimentation in dealing with the problems of depression. This may mean devaluation and it may mean many other measures in addition.

The extent of the action which may be taken will probably depend upon the mood of the Radical Socialist party. Heretofore, as we have seen, this party has been conservatively inclined and it is only now, in response to what appears to be the sentiment of the country, that it swings leftward. Edouard Daladier loudly demands that war be made against the Bank of France and the minority of financiers who are accused of controlling the destinies of France. Opponents of the conservatives suspect that on several occasions the Bank



© Wide World

#### THE CHAMBER OF DEPUTIES IN SESSION

of France has deliberately produced financial crises, placing the franc in jeopardy, in order to frighten the Chamber into conservative action. They say that each time the Chamber seemed to be leaning leftward, each time Laval seemed in danger of losing his post, a period of extreme financial instability suddenly and mysteriously made its appearance. The conservatives deny these charges and reply that it was the actions of the Chamber, threatening the safety of the franc, that produced the crises.

#### Future in Doubt

But whether the Radical Socialist party will follow Daladier in actually trying to curb the powers of the Bank of France after the elections is a question. It seems more likely that unless there is an overwhelming demonstration on the part of the people the party will swing back to more conservative channels. It will, to be sure, press for more radical action that has been taken in the past, but will hardly go to the lengths asked for by Daladier and other extremists. It is a good thing politically to make a show of radicalism, but it is another matter to put a drastic program into effect. All this, it must be admitted, is speculation, since there can be no accurate sizing up of the situation until the people have voted.

Behind this political struggle lurks a deeper cleavage which, if it comes to the surface, may plunge France into civil war. Many Frenchmen, fearing radical governmental policies and decrying the inefficiency of the Chamber of Deputies, have organized themselves into leagues or societies. Largest of these is the Cross of Fire which claims a membership of nearly 1,000,000 people. These societies threaten to capture the government and operate according to their own ideas, which are branded by their opponents as fascist. On the other side, Socialists, Communists, and many Radical Socialists are organized into a Popular Front to fight fascism.

Both camps are armed, despite efforts on the part of the government to disarm them. On a number of occasions there have been clashes between them and lives have been lost. These clashes may develop into civil war if one group or the other decides to take matters into its own hands, ignoring the peaceful processes of parliamentary government.

#### TALKING THINGS OVER

(Concluded from page 7, column 4)  
country is hungry for today."

**Mary:** It is because Smith made so many silly statements like that that I am confident his speech will have little effect.

**John:** That is where I disagree with you. You must admit that Smith's charges to the effect that Roosevelt scrapped the platform upon which he was elected are true. He proved them beyond any question. That is a serious matter. President Roosevelt, by running on that platform, made certain promises in 1932. He didn't keep them. Now he will make further promises, and nobody will know whether he will keep them. I should say, therefore, that Smith did strike telling blows at the administration. Furthermore, it will hurt the Democrats badly in this cam-

paign. If the two last Democratic candidates—Smith and Davis—bolt the ticket, as they certainly will, it will undoubtedly throw the election to the Republicans.

**Charles:** In an ordinary campaign, I think that would be true. I don't know how it will work out this year. This campaign will be more than just a contest between Democrats and Republicans. It will be a fight between conservatives and liberals. To a considerable extent, it will be a fight between the "haves" and "have-

nots." Not since 1896 has there been such a campaign. At that time the conservatives won. Whether they will again, no one can tell. But remember that when Smith goes out of the Democratic party with his conservative followers, a lot of progressives or liberals will go out of the Republican party with their followers. So far as I can see, the result will be pretty much of a tossup. I don't believe any of us can tell what will be the outcome of this breaking up of the old parties—of this new line-up, with conservative Republicans and Democrats on the one side, and progressives of both parties on the other.

### SOMETHING TO THINK ABOUT

1. If you have decided upon the occupation you wish to make your life's work, what are the opportunities for employment in that field?
2. How much of the unemployment among your young acquaintances do you attribute to lack of opportunities for jobs and how much to lack of training or ability?
3. Why have French governments hesitated to abandon the gold standard and to devalue the franc?
4. Why would it be unwise for the Radical Socialist party to assume control of the government at this time?
5. Do you think the attack upon the Roosevelt administration made by Al Smith and the Liberty League is justified?
6. Explain how the character of American economic development has been affected by the fact of monopoly.
7. What remedy for the South's impoverishment would you offer? Do you think the South will ever regain its former position in the export of cotton?

**PRONUNCIATIONS:** Kondylis (kon-dee'-lis—o as in go), Venizelos (vay-nee-zay'-los—o as in go), Edouard Daladier (e-dwahr' da-la-dee-ay'), Laval (la-val'), Lebrun (luh-bruhn'—n scarcely sounded).

#### A Correction

In a recent issue of THE AMERICAN OBSERVER reference was made to town meetings which, it was said, were "once prevalent in old New England." The note misrepresented the current situation, inasmuch as town meetings are still quite common in that section of the country. One of our subscribers tells us that in Connecticut "at least 100 towns use the town meeting for the transaction of their business."



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#### THE FRENCH TREASURY

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# AROUND THE WORLD

**England:** King George V has been laid to rest among his ancestors at Windsor, and the British Empire has risen from its mourning to greet the new monarch, Edward VIII. It is felt that the events of the past few weeks have marked not merely a change in rulers but also the beginning of a new era. The problems facing the new monarch are not those which confronted his father. They are of a new character, more involved, more delicate and requiring for their solution a new point of view.

When Edward VII, the present king's grandfather, died in 1910, 13 crowned European rulers attended his funeral. There was only a handful of kings to follow the hearse of George V. Two and a half decades have wrought new features upon the face of the European continent. Monarchs have become outdated. For the most part, where they still persist they are like the ghosts of things long dead. When George V ascended the throne, monarchy was still an accepted institution; and he was able to maintain his position through the World War and the years that followed only because he was wise enough to realize that the people want their king to reign but not to govern.

In a well-known passage, Walter Bagehot, the Englishman, has remarked: "The sovereign has, under a constitutional monarchy such as ours, three rights—the right to be consulted, the right to encourage, the right to warn. And a King of great sense and sagacity would want no others." It was because King George never exceeded these three prerogatives that he remained on the throne while other monarchs fell. He was acutely aware of the changes taking place during his day, and he revised his views so that they would be in agreement with those changes. When it was apparent that the House of Lords no longer represented the great mass of Englishmen, he encouraged a movement to curtail its powers. When the Labor party gained a majority in parliament for the first time in British history, he did not hesitate to call in Ramsay MacDonald as prime minister.

It is difficult to say how the new king, Edward, will meet the problems that face him. His subjects are already confident of his leadership, for during the past few years he has taken an increasing interest in the affairs of state. As Prince of Wales, he charted a course peculiarly fitted to equip him with an understanding of what the future holds for him.

In the British Isles he is likely to be even

more popular than his father. George V was, on the whole, retiring. It was sufficient for him not to retard progress. But the new king has already done much more. He has gone out among his people to see how they live. He has gone down into the mines and has tasted their soot. He has visited the poor in their homes and has drunk tea with them. He has visited the slums of England and he has spoken his mind on them. And though for openly decrying against them he has been rebuked by the prime minister, he has gained the reverence of his people.

Nor has his interest been confined to the British Islands. No English monarch has traveled so extensively and none has shown so keen an interest in the affairs of the colonies and the dominions. In his early years he gained the affection of the empire by his personal charm and democratic bearing; but later he gained their respect and confidence by his espousal of their economic needs. As the supersalesman of the British Empire he has succeeded in extending the trade and advertising the wares of each part of the vast realm over which he reigns. Nothing will stand him in better stead. For since the enactment of the Statute of Westminster, granting to the dominions self-rule, it is he alone as king who binds the interests of all peoples flying the British flag.

If he reveals the same tact and energy in foreign affairs, which now loom so largely upon the horizon of British politics, his influence will be an important factor in keeping the place of Britain under its never-setting sun.

\* \* \*

**Geneva:** The League of Nations Committee of Eighteen has met once again, but decided not as yet to invoke oil sanctions against Italy. The question, it declared, needed further study. But as if to indicate that this delay did not mean that the League was letting down in its pressure upon Italy, the committee decided to extend the study so as to include another matter, which, if adopted, would mean that not only would League members be forbidden to ship oil to Italy, but they would also have to refrain from permitting their ships to carry oil to Italy from non-League members. It is felt that this action would materially increase the effectiveness of sanctions.

Many observers regard this delay in sanctions as a matter of policy. The League, they say, is waiting to see how the war in Ethiopia progresses. The past month has seen little advance on the part of the Italian armies. Perhaps Mussolini can be persuaded to give up his African venture without further intervention from the League.

But if this has been the attitude of the League of Nations, Great Britain has not

lost time in preparing for any eventuality. She has used the interval to strengthen her own position, and at the meeting of the committee, Anthony Eden announced the completion of a pact by England and four other nations for common defense against a possible Italian attack. In addition to Britain, this agreement involves France, Turkey, Greece, and Yugoslavia.

Mussolini has been whipped into a frenzy by this announcement. His official newspaper organs have charged Britain with "perfidy." In making such alliances without the knowledge of the League of Nations Council, the British have violated the Covenant of that body, according to the Italian leader. And his disgust with British tactics has been reflected in renewed fighting in Ethiopia. More determined than ever, his legions have been making fierce onslaughts upon the Ethiopian troops.

\* \* \*

**Greece:** Late last year King George was recalled to the throne of Greece, and at once astounded both his enemies and friends. Those who supported his return were bitterly disappointed by his announcement that popular elections would be held in the land. They had hoped that he would be but a puppet of clay to be molded by their hands. Opponents to his return, on the other hand, became jubilant. They had not expected that the monarch would return a confirmed democrat from his exile of 13 years in England.

Now the elections have been held, with a victory for the Liberal party. Field Marshal George Kondylis, who desired the control of the government to remain in the hands of the army, was able to muster only minority support. His defeat is expected to result in recalling to Greece Eleutherios Venizelos, exiled because he opposed the rule of a military dictatorship.

The results of the elections will also be reflected in the foreign policies to be pursued by Greece. Marshal Kondylis has been sympathetic with Mussolini in the latter's struggle with English diplomacy. King George and Venizelos have definitely aligned themselves with England whose form of government is more tasteful to them than is that of Italy.

\* \* \*

**Ireland:** In his determination to make the Irish Free State free of all British influence, President Eamon de Valera recently started a movement to revive Irish, the Gaelic tongue, as the national language of his people. The government has banned English from the lower classes in the schools, has made the study of Irish compulsory in all high schools, and has forced all candidates for the medical, legal, and teaching professions to undergo an examination in that tongue. Announcements on the radio must first be made in Gaelic and, then only, in English while music halls have been encouraged to present programs in the native tongue.

But the movement has received a great deal of criticism even from ardent enthusiasts of Irish independence. They note that only 10 per cent of the people are Irish-speaking, and that it but works a hardship on the majority to have imposed on them a strange language. Moreover, they claim that young children are being brought up



WHAT PRICE ETHIOPIA?

—Fitzpatrick in St. Louis Post-Dispatch

in both tongues, one at home and one in school, without the possibility that they will ever be able to speak either one accurately. One Irishman expressed himself by saying that this innovation will produce a nation of "ignoramuses."

\* \* \*

When President Lebrun of France arrived in London for the funeral of King George V, he was accompanied by two firemen and a dozen large fire extinguishers. French law requires that whenever the President sleeps away from his palace he must be watched over by firemen to see that he is not burned to death.

\* \* \*

Students in China are continuing to agitate against Japanese aggression in North China. Last week scores of persons were injured in riots that broke out in various cities.

\* \* \*

At a recent meeting of the League of Nations Council, the refusal of Russia to buy 200 pounds of cheese from Uruguay was given as the reason for the latter's abrupt decision to sever diplomatic relations with the Soviet government.

\* \* \*

It is rumored in international circles that if Italy is forced to withdraw from Ethiopia, either through defeat or pressure by the League of Nations, Turkey will try to seize the Dodecanese Islands which she lost to Italy in 1912.

\* \* \*

The Nazi government of the Free City of Danzig was severely rebuked by Anthony Eden, British foreign minister, because it failed to respect the Democratic constitution guaranteed that city by the League of Nations.

\* \* \*

The long border dispute between Paraguay and Bolivia, resulting in months of war and 100,000 dead, was finally brought to an end when those two countries recently signed an agreement to exchange prisoners of war and to renew diplomatic relations.

\* \* \*

French charges that Germany is fortifying the Rhineland zone have been formally made to London. The Rhine was demilitarized by the Treaty of Versailles. France fears that Germany may be preparing for a possible attack across her western frontier.

\* \* \*

The death of King George did not interrupt cabinet committee meetings preparing Britain's program of armed expansion.



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EDWARD VIII



ST. JAMES'S PALACE, LONDON

From the balcony of this palace Edward VIII was proclaimed king of England.

© Acme





## CONGRATULATIONS

Some of the men prominent in the fight to pass the law providing for immediate payment of the bonus. Left to right: Rep. John W. McCormack of Massachusetts; Rep. Fred Vinson of Kentucky; Commander Ray Murphy of the American Legion; and Rep. Wright Patman of Texas.

© Harris &amp; Ewing

## Farm Program

Members of Congress and officials of the AAA are having a hard time trying to work out a substitute for the farm program which the Supreme Court declared unconstitutional last month. Many members of the Senate Committee on Agriculture have hesitated to support the measure introduced by the administration on the ground that it is just as unconstitutional as the AAA. The main purpose of the new measure is identical to that of the AAA. Under the guise of soil conservation, the government would attempt to curtail production of many agricultural crops. Millions of acres of land would be turned over to grass and trees or to crops which would conserve or increase the fertility of the soil. The farmers who turned their land over to these crops would receive benefits from the government, just as they received benefits under the AAA for keeping land out of production.

It is considered doubtful that a permanent farm program will be enacted during the present session of Congress. A stopgap measure will probably pass pending the drawing up of a comprehensive permanent plan. According to present indications, this plan will involve control of agriculture by the 48 states, under the supervision and with the financial help of the federal government.

## Conflict in the A. F. of L.

The controversy over industrial unionism versus craft unionism, which has rocked every American Federation of Labor convention of the last few years, has taken a new turn during the last week or 10 days. At a meeting held at Miami, the executive council of the A. F. of L. ordered the John L. Lewis Committee for Industrial Unionism to cease its activities. The purpose of this committee, which was organized last November, is to work for the industrial form of labor union in all the large industries instead of the craft union, which is the form of labor organization of most of the unions belonging to the A. F. of L.

John L. Lewis, president of the United Mine Workers of America, and leader of the movement for industrial unionism, has indicated that the committee which bears his name will defy the orders of the labor chieftains. Mr. Lewis has long contended that the craft union is unsuited to present industrial conditions and that workers can further their ends better by being organized according to the industries in which they work rather than according to the type of work they do. The American Federation of Labor has not accepted this view, although the advocates of industrial unionism have been increasing greatly in power during the last few years. The strength they demonstrated at the annual convention of the Federation in the fall surprised many students of labor problems.

Whether the recent conflict will bring the whole matter to a showdown is considered improbable because the leadership of organized labor feels that its position would be greatly

weakened by splitting into two rival organizations. Nevertheless, the industrial unionists are in no mood to surrender to their foes and may be expected to continue their fight. At its convention which opened at Washington last week, the United Mine Workers of America was expected to take an even more militant stand on the subject than it has in the past and to adopt resolutions warmly endorsing Mr. Lewis in his fight within the A. F. of L.

## The Bonus Passes

Apparently undisturbed about raising the money, both houses of Congress overrode President Roosevelt's veto of the bonus bill. The House of Representatives, to which the veto message, written in the President's own hand, was delivered, repassed the measure by a vote of 324 to 61 within a few minutes. The Senate, not in session, waited until January 27 before voting on the bill. More than the required two-thirds majority voted against the President and the bill became a law without his signature.



U. S. & H. MORGENTHAU

As we explained in last week's issue of THE AMERICAN OBSERVER, veterans of the World War are to be given bonds, in denominations of \$50 each, to cover the amount due them from the government. Those who wish money may cash the bonds at a post office any time after June. The veterans may hold the bonds, however, in which case they will receive interest at the rate of three per cent a year.

Despite the fact that both the President and Secretary of the Treasury Morgenthau stated that new taxes should be imposed to cover bonus payments, no legislation looking in that direction is being considered by Congress. The prevailing attitude among members of Congress seems to be that it is up to the secretary to procure the necessary funds, which means that the government will have to borrow the money.

The immediate effect of the passage of the bonus bill was to stir talk about inflation. The dollar, measured in terms of foreign currencies, declined in value, and the price of stocks shot upward. The government was apparently determined to prevent a runaway of stock prices, for the Federal Reserve Board issued more rigid rules governing the purchase of shares of stock.

## Freedom for Schools

The Baltimore Sun has this to say on the very important and timely subject of radicalism and repression in the schools and colleges:

Several times in the past we have called attention to evidence of the rising tide of feeling against the compulsions which have been put upon education or proposed for it, under the guise of insuring

the patriotism of the students. It is one of the most hopeful signs for the future of democracy in this country that, far from being stamped by the success which the advocates of teachers' oath bills have had in state after state, responsible leaders of education have drawn together in the last year vigorously to resist all new encroachments on the rights of teachers and pupils, and even to counterattack in those places where original protest was ineffective.

A week ago the presidents and chancellors of some 400 universities, meeting in New York City, were warned by Dr. Henry M. Wriston, president of Lawrence College, and of the Association of American Colleges, that the teachers' oath bills were a symbol of intellectual repression, and were "copied from Fascism." On Thursday Dr. Robert M. Hutchins, president of the University of Chicago, told the Retail Dry Goods Association of Pennsylvania that "the greatest danger to education lay in the attempt, under the guise of patriotism, to suppress freedom of teaching, inquiry and discussion." Dr. Hutchins used the occasion to point out that any attempt to insure patriotism by oaths would have to require not only teachers, but radio performers, newspaper men, movie directors, comic artists, and, most certainly, parents themselves to swear fealty.

He also charged that in so far as radical sentiments had made headway in the schools, they had been "manufactured by the hysterical regulations" of the institutions. "I am far from denying," he asserted, "that there are radical students. I suggest, though, that we shall not find the reason for their attitude in the teaching they have received. We shall find the reason for it in the world in which they have had to live." And just as this radicalism is a reaction to confusion, so the excitement about radicalism is "an hysterical reaction to the depression." There is much sense in what Dr. Hutchins says. And there is hope to be found in the fact that he boldly says it. When the heads of great universities denounce the effort to regiment the thought of teachers and student bodies as menaces bred of hysteria, two things are indicated: First, how serious that danger is; and second, that the spirit to defeat it is growing.

## Cloud Over the South

If one looks beneath the surface of things and studies the large permanent problems of American life, he will probably conclude that one of the most significant developments of the present period of history is the gradual impoverishment of the South. This is coming chiefly from the fact that American cotton is losing its hold upon the markets of the world. The greater part of the American cotton crop has always been exported, and now that the export market is failing, there is not a demand for so much cotton as there once was, and there seems little hope that the former demand will be revived. But cotton has been the one big crop of several of the southern states. Until a substitute is found, there will be hardship and poverty in the rural South. The trouble is being aggravated by the invention of a mechanical cotton picker, which, it appears, will soon be put into general use, and which will deprive hundreds of thousands

of poor people—white and colored—of the jobs.

The crisis which has developed in the South and which has become national in its significance, is discussed quite comprehensively in an article by Oliver Carlson, which appeared in the January American Mercury. Mr. Carlson gives figures of world cotton production showing that before the Civil War 90 per cent of all the world's cotton was produced in the southern states. While the war was in progress, it was impossible for the foreigners to obtain the cotton and other sources of supply were developed. American cotton never came back to the place in world production



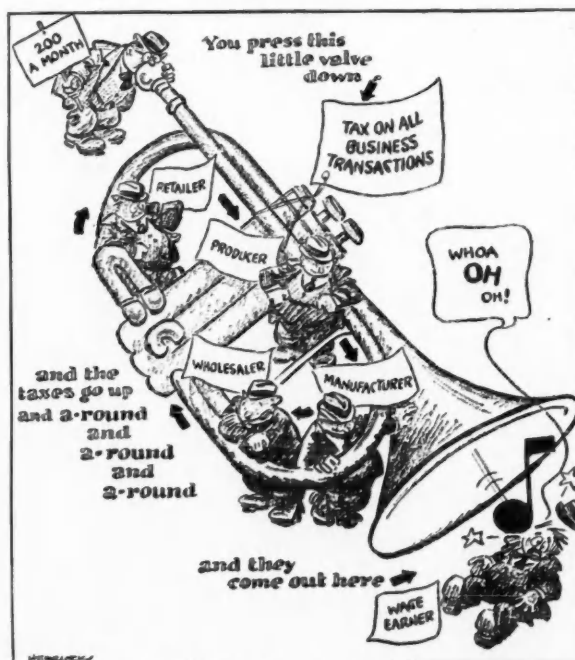
ANOTHER VIEW

A London cartoonist's view of the

which it occupied before the War Between the States.

The World War struck another heavy blow at American cotton. The demand was very great then and prices soared. Production was stimulated in a number of countries—in Asia, Africa, and South America. By 1925 Americans were producing but 55 per cent of the world's cotton. Since the depression, production in the United States has fallen, while it has risen in the rest of the world. By 1934, for the first time in our history, Americans were producing less than half of the world's total supply.

The Hoover and the Roosevelt administrations undertook to raise the price of cotton, the



IT WOULD GO LIKE THIS

—Herblock in Winfield Daily Courier



# The United States

## Doing, Saying, and Thinking

of the Hoover administration by establishing the Farm Board, which bought cotton and took it off the market, and Roosevelt through the Agricultural Adjustment Act. As a result of these devices, cotton prices have been raised, and though this may have had the immediate effect of getting the cotton planter more money for his cotton, it has permitted foreign producers to undersell the Americans in the markets of the world and has contributed to the dethronement of "King Cotton" in the American South.

But that is not all. The *American Mercury* article declares that "an almost immediate revolution in cotton production is at hand; the mechanical picker, when introduced in Aus-

system of land tenure, itself the product of the primitive technology of cotton culture, is already doomed to destruction. Introduce a rapid industrialization? That, too, is already well under way. But the process of training and absorbing the millions who are being cut off from the land is one that may require decades. It may never absorb more than a fraction of those who will flock to the industrial centers. Give land to the landless? The land itself is of little value when so much of it is submarginal, worn-out soil. And the natives to whom it would be given know next to nothing about modern agriculture, nor are they supplied with the essential tools. Institute a balanced economy? That such a balance is needed is undeniable. But what constitutes it and how it can be achieved are questions not easily answered.

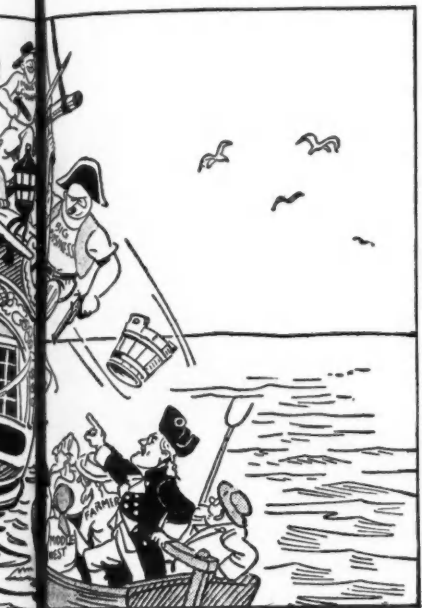
### Recovery Continues

The nation continues to march in the direction of recovery. The Federal Reserve Board reports that more goods were being produced in the factories of the United States last December than at any time since the spring of 1930. In November, the quantity of production in the country was 98 per cent of the amount produced during the years 1923-1925. By December, production had reached 103 per cent of the 1923-1925 figure. The country is not producing as much as it did during the boom years just preceding the 1929 crash, but it is producing more than the average output of the middle 1920's.

The increase in December came largely as a result of greater activity in the durable goods industries, such as iron and steel and automobiles. This is considered a very good sign because industries like these lagged for quite a while after production began to rise in the consumption goods industries, or in the industries producing goods for immediate use—goods like food, clothing, etc.

Why is it that there is so much unemployment if production is back to the 1923-1925 level? Two principal facts explain the situation. In the first place, there has been a rapid development of labor-saving machines so that fewer men are required to produce a certain amount than were required several years ago. The factories of the nation can produce as much as they did 10 or 15 years ago without requiring the labor of anything like so many men.

The second fact to take into account is that the population is growing. Something like half a million young men come to the age each year when they are able to take jobs. The number of new men coming into the market each year is greater than the number of old men who retire. Even though the same number were employed, therefore, as were at work 10 years ago, there would still be 5,000,000 or so unemployed. In order to get back to the same degree of prosperity that we en-



© Strube

ER THE BOUNTY  
ew of the situation in the United States.

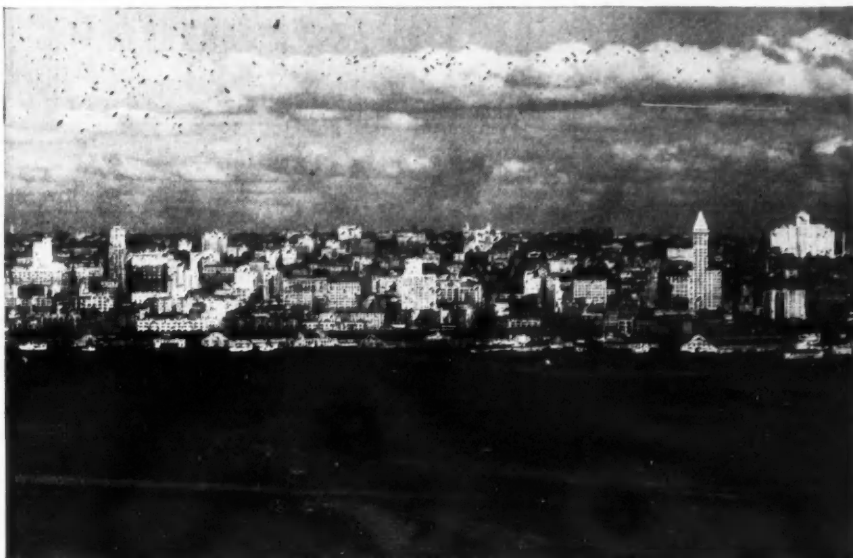
ven the small producer, as well as here, will destroy the American small producer, wipe out the southern tenant farmer, mechanize the entire industry, cut production costs from 50 to 80 per cent, and yield enormous profits to its first users, and throw millions of the South's most helpless population out of the only employment which they understand."

Unfortunately the author of this article does not point the way out for the South. That is a major problem of American industry and politics. The article from which we have quoted gives this indication of the difficulty of finding an answer:

What is the South to do? Abolish the system of tenant farming and share-cropping? That



THE OVERWORKED WAITER  
—Carmack in Christian Science Monitor



© Wide World

### CONVENTION CITY OF THE NORTHWEST

Seattle, Washington, a city 94 years old and with half a million inhabitants, will entertain 55 conventions next summer.

joyed before the crash, we would need to be producing a great deal more than we were turning out then.

### Names in the News

George W. Wickersham, noted constitutional lawyer, one-time attorney general of the United States and chairman of President Hoover's Commission on Law Enforcement, died last week in New York City at the age of 77.

\*\*\*

Huey Long was assassinated last summer, but his influence in Louisiana politics continues unabated. With the spirit of Huey Long as their guiding beacon, the late senator's political faction succeeded in carrying the recent elections held in that state.

\*\*\*

John L. Lewis, head of the United Mine Workers of America, was arrested in Washington, D. C., recently for traffic violation which may entail suspension of his permit to drive an automobile. The capital city has for long been notorious for her traffic fatalities and the authorities have finally decided to take drastic measures. In their efforts to improve safety in Washington, they are sparing no citizen, whatever his prominence. Several leading members of capital society have already been arrested.



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JOHN L. LEWIS

### In Brief

Fingerprinting of every resident over 18 years of age has been proposed in a bill introduced into the New York State Senate.

\*\*\*

Organ-grinders have been removed from the streets of New York City by an order of Mayor La Guardia. To those who bewailed the passing of this ancient adornment of the alleys, the mayor replied that the function of the organ-grinder has outlived itself. The radio and the symphony orchestra of today, he indicated, are an adequate substitute for the music the organ-grinder was wont to offer.

\*\*\*

Troops were called out recently in Indiana to quell riots which broke out when strikers attempted to stop nonunion workers from entering a factory. The dispute is said to have grown out of the refusal of the employers to recognize a union formed by the workers themselves.

\*\*\*

To facilitate business transactions between the Middle West and the East, Chicago will put her clocks ahead one hour on March 1, thus abandoning Central Standard time to adopt the Eastern Standard time of New York City. Grain shippers in the Middle West may be inconvenienced and Wall Street is expected to suffer temporary confusion when Chicago clocks are changed.

### THOUGHTS AND SMILES

"Congress Overwhelmed with Bills."—Headline. And who isn't, this time of the year?  
—Washington Post

Only free peoples can hold their purpose and their honor steady to a common end, and prefer the interests of mankind to any narrow interest of their own.  
—Woodrow Wilson

Some Republicans regret that the party expects to hold its convention first. How can you denounce the New Deal effectively when you don't know what it will be like a week from Tuesday?  
—THE NEW YORKER

If the works administration were really ingenious, they wouldn't bother with leaf-raking; they'd have the boys tying them back on.  
—Atlanta Constitution

A great democracy must be progressive or it will soon cease to be great or a democracy.  
—Theodore Roosevelt

Mussolini is understood to desire greatly peace on earth. Indications are that he has the exact piece in mind, too.—Norfolk LEDGER-DISPATCH

Roosevelt will take the stump. The one up which he already has the G. O. P.?  
—Dallas News

Blessed are the young, for they shall inherit the national debt.—Herbert Hoover

Borah could not be depended upon to run for the presidency. As soon as an appreciable number declared themselves in favor of his candidacy, he'd be against it.—St. Joseph NEWS-PRESS

The nine-hundredth anniversary of Canute is being observed in England. Canute was the one who tried to swing a tidal project without getting in touch with Ickes.  
—Detroit News

You can't disarm nations till you disarm suspicion.—James J. Montague in the New York Herald Tribune

There ain't no justice, moan Florida and California. With not a single boom, Ethiopia has to fight off thousands of prospective settlers.  
—Seattle Star

No one could hate war more than I do . . . but even with that hatred I was proud of my country when the President . . . asked Congress to declare a state of war.  
—J. P. Morgan

Give us back the good old days when all we worried about in governmental affairs was the disposition of the Muscle Shoals project.  
—Washington Post

Radio sponsors, we read, are anxious to give the public what it wants. This makes it look as if one or the other is crazy.  
—LIFE

There is little danger of a dictatorship in a nation built upon the democratic institutions of the Anglo-Saxon system.  
—Hugh S. Johnson

Florida warns that the state is no place for people to come looking for work. However, this is only one of Florida's attractions.  
—JUDGE

Crimes are now being reenacted on the radio. And many of them go on under the name of dance music.  
—JUDGE



## Historical Backgrounds

By David S. Muzzey and Paul D. Miller

### Monopoly and Economic Exploitation

FEW developments have affected American life more vitally and more directly than the opening of the West during the years following the Civil War. Not only did it contribute to the remarkable economic development which marked the last few decades of the last century, but it acted as a stabilizing influence upon the American people. The conception of America as a land of promise was due in no small part to the opportunities the West offered and to the progress that actually took place as a



DAVID S. MUZZEY

result of its opening to settlement and exploitation. It is hardly conceivable that the material progress which characterized America of the good old pre-depression days would have been possible without this development. We do not intend this week to retrace the economic changes which took place during this period. We have already alluded to many of them. In previous discussions we have referred to the expansion of the railroads, made possible primarily because of the policies of a benevolent government which bestowed land and other favors upon them in rich abundance. We have also indicated how an influx of immigrants, brought to this country to operate the newly established factories, furnished a market for the increasing quantities of goods that were being turned out. Moreover, this national market, which increased from 31,000,000 in 1860 to 76,000,000 in 1900, was guaranteed to American producers by the tariff which became the pillar of the government's economic policy in the post-Civil War period.

#### Exploitation

The new West, richly endowed with natural resources in the form of minerals and petroleum and forests, offered undreamed-of opportunities for personal enrichment. Many of the big American fortunes were made in a few decades as a result of this economic exploitation. And not always did the highest ethical standards prevail among those who have since been dubbed "the robber barons" and similar uncomplimentary names. We cannot review the history of these economic giants in any detail. A brief recital of certain of the facts connected with the rise of one of the greatest enterprises and one of the greatest family fortunes is sufficient to show the methods by which our whole economic system developed. We refer to the oil industry and the activities of the Standard Oil Company, principal source of the Rockefeller fortune. Similar stories, varying only in detail, might be told of our other industries—manufacturing, mining, transportation, and finance.

The Standard Oil Company was organized in Ohio in 1870—a corporation with very humble beginnings. At the time, the whole oil industry, then in its infancy, was in a state of depression. Mr. Rockefeller soon learned that if he was to reap great rewards from his activities, he would have to operate on a more grandiose scale. So the Standard began buying up competing oil companies. Two years after its organization it had bought up nearly all the refineries in Cleveland. It expanded to other cities, buying refineries in Philadelphia, Pittsburgh, Baltimore, and New York. At the same time, it made a compact with the railroads for secret rebates on the oil it shipped. More than that, it received rebates on the oil its competitors shipped, thus enjoying a double advantage in the quest for markets.

Little by little, the company spread out, acquiring more refineries, getting control of transportation systems, organizing an ef-

fective selling machine. In 1887, the Rockefeller interests entered the pumping field, acquiring control of one oil field after another. After 10 years, in the words of one of our best historians, Standard "was practically master of the oil business from the well to the lamp. No competition worthy of the name remained to reduce prices, and the consumers, incapable of organization themselves, lay at the mercy of the Standard Oil satrapy."

#### Corporate Power

Similar tactics were employed by those who built up the other great American industries. Corporations, and then trusts, came to control one industry after another. Consolidations or mergers were effected, or competitors were just naturally frozen out. The giant corporations would reduce prices long enough to push their competitors into bankruptcy and then increase them so as to reap enormous profits. More and more American industry became dominated by monopolies. How the economic leaders of the day achieved their goal has been effectively described by Beard and Beard in their "Rise of American Civilization":

Whatever may be said on fine points of legality it is certain that the methods used by the giants of industrial enterprises were artistic in every detail. Undoubtedly in versatility and ingenuity these new lords far outshone the princes of the middle ages who monotonously resorted to the sword, marriage, or poison in the building up of family estates. Related to more complex situations, the modern modes were more varied. If the barons of capitalism did not themselves put on armor and vanquish the possessors of desirable goods in mortal combat at the risk of their lives, they did sometimes hire strong-arm men to help them seize the property of a coveted company; and occasionally they planned real battles among workmen in an effort to appropriate a railway or pipe line. Usually, however, they employed less stereotyped means to attain their ends; namely, stock manipulation, injunctions, intimidation, rate cutting, rebates, secret agreements and similar pacific measures.

The extent of the power and control of the great American corporations is difficult to appreciate. It is estimated that the 200 largest corporations control half the corporate wealth of the nation, or nearly a fourth of the entire national wealth. Fifteen of them have assets valued at more than a billion dollars each. Often banks and financial institutions control a vast empire of business and industrial enterprise—"a fact illustrated," explain the Beards, "when Morgan brought about the union of 15 great railway organizations and created a steamship trust, a harvester trust, the United States Steel Corporation, and numerous other combinations less pretentious in scope."

That America made phenomenal progress, materially speaking, as a result of the work of these economic rulers, few will deny. Comforts were brought to millions of our people. But to assume that the whole nation shared in the fruits of this progress is to ignore the history of the last three quarters of a century. At the one end of the scale was untold wealth, at the other abject poverty, with groups in between living decently, if not in luxury. Finally, as the West became settled and the frontier vanished, the captains of industry were confronted with a new situation. Opportunities for expansion became fewer and it became increasingly difficult to dispose of the products which industry was able to turn out. Lowered prices might have helped, but the fact that many industries were organized on a monopoly basis prevented much progress along this line. The result has been that American industry is prepared to produce far more goods than it can distribute and this difficulty is at the heart of our economic ills.



The settlement of the prairies during the last quarter of the nineteenth century all but drained the lake states of their magnificent forests. (From an old Currier and Ives print in "American Conservation, in Picture and in Story.")

## Among the New Books

### Our National Resources

"American Conservation, in Picture and in Story," compiled and edited by Ovid Butler. (Washington: American Forestry Association. \$2.50.)

THE purpose of this book, as set forth on the jacket, is "to present a graphic picture of our organic natural resources, the part they have played in the development of the country, the manner and consequences of their use, and the spread of the conservation movement in the United States to the present time." It is a purpose which is admirably accomplished. An abundance of illustrations and a carefully prepared text show how the nation's forests have been exploited and ruined through the years of our history. The attempts to preserve these resources in national and state parks and through soil conservation and reforestation are, after long struggle, beginning to show encouraging results. The work of the Civilian Conservation Corps in this respect is notable. This book is an education in showing how stupid it is possible for a nation to be.

### In Defense of Hoover

"The Hoover Administration: A Documented Narrative," by William Starr Myers and Walter H. Newton. (New York: Scribner's. \$3.50.)

APPARENTLY the purpose of this book is to build up a case showing that we were well on the road to recovery in the summer of 1932 and that it was fear of the policies the new President was planning that turned us back. "History will record," the authors say, "... that the banking panic of 1933 was the result of fears concerning the monetary and other policies of the incoming administration." It might be pointed out that the monetary policy of the Roosevelt administration was not known to the country at the time of the bank panic of February 1933, and it is

therefore difficult to follow the logic of Messrs. Myers and Newton in establishing such a relationship.

The book is more a political tract than a calm and impartial recording of historical fact. Nevertheless it performs a valuable service in that it attempts to clear the record and enhance the reputation of a President who, the authors feel, went out of office greatly misunderstood and underestimated.

### Mary Poppins Again

"Mary Poppins Comes Back," by P. L. Travers. (New York: Reynal & Hitchcock. \$1.50.)

FOR the many who must already be familiar with Mary Poppins, this delightful tale will be as strawberry jam to a hungry child. For those who are not acquainted with Mary Poppins' queer antics, it should be a challenge. It is a challenge to one's imagination, to his mind, and to his heart. Mary Poppins is one of the most enchanting creatures wandering through the fiction of today, and her story is one for all ages.

### What Is Fascism?

"Fascism and National Socialism," by Michael T. Florinsky. (New York: Macmillan. \$2.50.)

BY NO means the last word on the system of government in Italy and Germany, Dr. Florinsky's book is nevertheless a valuable contribution to an understanding of this complex subject. Not only does it point to the similarities of Italian Fascism and German National Socialism, but it shows wherein they differ. The author emphasizes the economic set-up in the two countries, and analyzes the effects of the system on the different classes of the population. Although not brilliantly written, "Fascism and National Socialism" is clear and readable.

### The Cheated Public

"Counterfeit," by Arthur Kallet. (New York: The Vanguard Press. \$1.50.)

THIS small book of less than a hundred pages is packed with valuable information for the American consumer. It gives scientific evidence to expose the false claims which are made for certain types of "vitamin foods," mouth washes, tooth-pastes, gasoline, soap, and various other food and drug preparations. The author has had considerable experience in investigating fraudulent products as a former member of Consumer's Research. He is one of the author's of "100,000,000 Guinea Pigs," and hence knows whereof he speaks. A careful reading of this book will repay the usually gullible consumer.



FROM AN ILLUSTRATION IN "MARY POPPINS COMES BACK"





## Alfred E. Smith's Speech Before the Liberty League. Are His Criticisms of President Roosevelt Valid? Is the New Deal Socialistic? Would Business Have Recovered Without Roosevelt?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

**John:** The most important development of the last week or two, I suppose, is the attack made on the Roosevelt administration by Alfred E. Smith. As the New York Times says: "This was the heaviest blow the New Deal and the administration have suffered."

**Mary:** I don't agree with the Times on that point. It seems to me that Smith's speech was merely a political harangue, and that it is scarcely worth our consideration. What charges did he make that are so serious?

**John:** Well, let's go into that. I will list a few of them and we can talk them over. In the first place, he said that the Roosevelt administration is stirring up class hatred. It is setting the poor against the rich. What we should have is coöperation of rich and poor, employers and workers.

**Mary:** Well, that is not much of a point. We all agree that there should be coöperation among rich and poor. Roosevelt says that. The question is: on whose terms? Al Smith, the duPonts, and other big corporation leaders who run the American Liberty League, want coöperation on the rich man's terms. These terms are that big corporations should be left alone; that they should be able to do what they please; that they should be able to fire men for joining unions as the big automobile companies do; that they should be able to decide what wages they shall give to labor. The American Liberty League crowd thinks that labor and the poor should take all this lying down. They should accept such crumbs as come to them, and if they are hungry, they should keep still about it. If they do that, there can be coöperation. There won't be any class strife. But when the poor people make a few demands, when those who are out of work want to be fed, when those who are at work want to join labor unions, when some of them want wage increases or shorter hours, and when the government steps in to say that some of these demands shall be granted, the Liberty League cries: "Class war." They do not want the kind of coöperation that we would have if labor and poor people generally had any voice whatever in determining how things shall go.

**John:** Now don't be unreasonable, Mary. Alfred E. Smith has a pretty good record

for fairness to labor. He has shown himself to be the poor man's friend. What he and his associates are afraid of is that such heavy demands will be made on employers that they cannot make any money at all. They may be obliged to pay high wages, and then the government may step in and place heavy taxes upon them with the cry of "soak-the-rich." As Mr. Smith said, if there are no profits there can be no wages and there can be no prosperity. The Liberty League and leaders of it, like Smith, believe that the Roosevelt policies will hurt profits, and in the long run that this will hurt the workers themselves.

**Mary:** But where do they get this notion about Roosevelt's hurting profits? Why do the duPonts say a thing like that? I mention the duPonts because they run the Liberty League. This great firm which owns the controlling interest in the General Motors Corporation, and which built its fortunes largely on munitions, has contributed 60 per cent of all the money which the American Liberty League has raised, and the Liberty League, it should be said, has raised more money than the Republican party has during the last year. So the duPonts can really be said to be running the Liberty League. Where do they and Al Smith and all the others get the idea that Roosevelt is against profits? Let me read the following notes from a recent number of *Business Week*:

Last year's records for automobile manufacturers are now coming out. Chrysler shipped 41 per cent more passenger cars and trucks than in 1934, probably set a new high in earnings. General Motors sales in the United States, Canada, and abroad ran 38 per cent ahead of 1934. Ford's production in the United States and Canada approached 1.3 millions, 78 per cent better than the year before. Packard's output was nearly nine times greater than 1934, due to favorable reception of Model 120. Earnings are believed to have risen to around \$3,000,000, against a 1934 loss of \$7.3 millions. . . .

Commercial failures in 1935 numbered only 11,879, lowest since the boom year 1920. Liabilities reached \$230,000,000, also lowest since 1920.

**John:** Of course there has been recovery, but it has been in spite of what the administration is doing rather than because of it. The whole attitude of Roosevelt is hostile toward business. But let's get on to some of the other points. It seems to me that one of the most effective points of the Smith speech was the proof he offered that President Roosevelt has violated nearly all the promises made in the Democratic platform of 1932 upon which he was elected. Smith showed this very clearly and forcefully. He took up the planks one by one. For example, the Democratic plat-

form promised to cut ordinary governmental expenses 25 per cent; instead of that these expenses were raised. The platform promised a balanced budget, and there have been tremendous deficits every year. The platform promised that relief should be given through the states, and it has been given by the national government. It promised that the government should stay out of business, and it has gone into business on a great scale. It promised to protect the rights of the states, and these rights have been violated contrary to the Constitution.

**Charles:** I am not a Democrat, as you know, and I am not a follower of President Roosevelt. But I want to say right here that this argument about Roosevelt scrapping the Democratic platform does not make any appeal to me. If Roosevelt scrapped it, and I think there is no question but what he did, it was to his credit. The platform did not promise strong governmental action to get the country out of the crisis into which it had fallen. When Roosevelt became President in the spring of 1933, he found industry flat on its back; found the country faced by ruin; found the situation such as to demand drastic and immediate action on the part of the national government. What should he have done? Should he have said: "Well, I will be consistent whether it ruins the country or not. I will stand on the platform and do nothing"? Or, should he have said: "Under the new conditions which have arisen, I will act; I will save the country. I agree with Ralph Waldo Emerson that 'a foolish consistency is the hobgoblin of little minds'." My quarrel with President Roosevelt is not that he stepped out and acted in a way not promised by the platform of 1932, but that when he acted he did not go far enough.

**John:** Of course it comes down to the question of how better times and business can be brought about. Smith tells us, and I agree with him, that business will get on its feet sooner if the government quits competing with it, and regulating it, and spending too much money. If the government lets business alone, it will come back more rapidly to normal conditions, and then it will give people work. And it is a fact, as Smith says, that year in and year out people have had opportunity in the United States. Poor boys have risen just as Smith himself did, and we must not get impatient and change our system of government and industry. If we do that we may deprive our people of such opportunities as they have had.

**Mary:** In my opinion, that was the shoddiest part of Smith's whole argument. To me there was something almost indecent and blasphemous about his standing there in the company of several hundred millionaires who are comfortable and secure, speaking as if the doors of opportunity were open for all Americans; saying he wants to keep the doors of opportunity open, when in his own state of New York, one-third of all the young men and women between the ages of 16 and 25 want work and can't find jobs. The doors of opportunity are not open except to the rich. In one case out of every few thousand there is a poor boy, like Smith, who has become rich and powerful, but are we satisfied with an America where the chances are so few as that?

**John:** Of course, in the midst of a great depression, there will be much suffering; there will be unemployment; and many people will find the doors of opportunity closed. But in working out remedies, we must be patient. We must remember that the country is not in depression all the



—Talbot in Washington News

LET FREEDOM RING

time. We must work carefully for a program that will most certainly bring relief without doing away with the best of the American system as we have known it. I think it would be very dangerous, if, because of a temporary breakdown of industry—a breakdown which apparently is even now being corrected—we should jump in the direction of socialism. Mr. Smith, you will remember, said that the Roosevelt administration is going in that direction. He said that we must choose between "the clear, pure, fresh air of free America, or the foul breath of communistic Russia."

**Mary:** That, by the way, is the silliest thing he said. The Roosevelt administration is not socialistic and Smith knows it. He himself has advocated most of the things that he now accuses the Roosevelt administration of doing. He accuses it of dictatorship, and yet he said in January 1933 that there should be a dictator of public works, and that if the Constitution was in the way, it should be put on the shelf.

**John:** What is your authority for that statement?

**Mary:** Senator Barkley of Kentucky, in a statement he made a few days ago in Washington, quotes Smith to that effect.

**John:** But you won't deny that Roosevelt has come nearer following the Socialist platform than the Democratic, will you? He said, you know, that if you put the Socialist platform down on a table and then compared it with the thing that Roosevelt has done, you would find that he has very closely followed the socialistic ideas.

**Charles:** Have you by any chance read the Socialist platform, John?

**John:** No, but I know what it says.

**Charles:** Then if you know that, you know it declares that the government should own all our big industries. Men like Norman Thomas believe that that should be done, but it is not being done. As a matter of fact, none of the industries has been taken over by the government, and President Roosevelt is as much opposed to that as Al Smith is and Smith knows it. Furthermore, I would like to quote something that Smith said in 1928. Hoover was then accusing him of being socialistic, and he replied with a statement which should today be thrown back in his face—a statement which is a complete answer to the demagogic charge which he made in his speech. Here is what he said then, and what he should remember today: "The cry of socialism has been patented by the powerful interests that desire to put a damper on progressive legislation. Failing to meet arguments fairly and squarely, 'special interest' falls back on the old stock phrase of socialism. To refer to the remedies for all these evils as state socialism is not constructive statesmanship; it is not leadership, and leadership is what this

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AS "AL" SMITH ADDRESSED THE LIBERTY LEAGUE DINNER IN WASHINGTON

# Youth Faces Hazy Future as Employment Prospects Decrease

(Concluded from page 1, column 1)

young people in this country between the ages of 16 and 24. Of these, about 4,000,000 are in schools and colleges, and half a million are in school part time. More than 7,500,000 are employed on nonwork relief jobs, and slightly less than 3,000,000 of them are married women not employed and not in school. But about 5,000,000 of them are not in school and are seeking employment. This latter figure includes those who have found a temporary means of preventing starvation by joining the CCC camps or by taking jobs on various work-relief projects. But they do not regard these jobs as permanent, as the sort of thing they have wanted to make their life's work. It is estimated that throughout the country only three out of every four young people who leave high school are able to find jobs. The fourth one is bound to enter the ranks of the unemployed.

## National Problem

Thus it can be seen that we are confronted with a really serious youth problem in the United States. It is, of course, but one angle of the bigger national problem which has resulted from the depression. Despite the evidences of business recovery during the last year or so, we still have a large volume of unemployment. How large, no one knows. Few place the figure at anything lower than 10,000,000. And these millions are unemployed today despite the fact that we are producing almost as much as we were during the 1920's when there were only two or three million people out of work, and many of these only temporarily unemployed, shifting from one job to another.

Many industries in this country, the automobile, for example, are producing more than they were in 1929. And yet they are employing only three-fourths or four-fifths as many people as they were six years ago. New machines have been introduced to take the place of the others. And because new machines have been installed in factories, more skilled workers are demanded to handle them. They cannot be operated by ordinary "day laborers." The demand for "white collar" workers—clerks, stenographers, bookkeepers, and other office workers—has fallen off because of improved devices. In the old days, many a high school graduate found his start in life through one of these jobs, and it is now becoming more difficult to find an opening in that field.

So we cannot expect to find a solution of the youth problem until we have successfully handled the general problem of economic disequilibrium which is today plaguing politicians and economists alike. In the meantime, leaders recognize that something will have to be done unless our civilization is to be seriously damaged. Already there are indications of harm done to young people by the loss of opportunity. Many young people have embarked upon careers of crime. A recent

study of youthful criminals in the city of Boston shows that 87 per cent of the offenders come from homes which cannot be said to be "reasonably wholesome." Lack of opportunity explains a great deal of crime among young people. The health of young people has been seriously undermined by these conditions, for they lack the proper food and living conditions.

## Morale Undermined

Perhaps the most serious side of the whole problem is the damage which is being done to the morale of young people. The difficulties of adjusting to life after one leaves school are great, indeed, even under the most favorable of conditions. Adjustments have to be made, as one enters a new stage of his life. But when the school years are followed by a period of enforced idleness, the consequences are of the gravest nature. Some of the young people may go on the "bum," seeking opportunities in other communities. They are thrown in with all sorts of undesirable individuals. We have known personally many young people, the cream of young manhood and



THE NATIONAL YOUTH ADMINISTRATION IS HELPING HIGH SCHOOL STUDENTS TO CONTINUE WITH THEIR EDUCATION

womanhood, who, as a result of months and years of unemployment, are making a heroic struggle to keep a grip on themselves. Some of them, now with jobs, are having a terrific struggle trying to make the adjustment from inactivity to activity. Many of them will probably never be fit for work again.

What is to be done about these millions of young people who now feel themselves outcasts of society? There is no ready answer. It is perhaps encouraging that experts in social problems of this kind are alive to the seriousness of the present sit-

uation. Some direct assistance is being given them. As we have pointed out, thousands of them have found employment in the CCC camps. Hundreds of thousands of them have temporary employment on work-relief projects of one kind or another. The National Youth Administration was established by the federal government to attack the problem. This agency of government is today giving financial assistance to some 300,000 young people, enabling them to remain in school. But the funds at

able, and not because there are no opportunities. This may be a surprising fact, but it is borne out by recent investigations.

In an inquiry conducted last year by a Middle-Western university it was found that 70 per cent of the young men and young women interviewed who did not have jobs were unemployed because of either inadequate training or some personal deficiency. A recent study of 43,000 youths under 25 years of age in Connecticut throws more light on the situation. Over 73 per cent are untrained for a skilled occupation, and 40 per cent are unprepared for work of any kind. Still another report from the CCC sections shows that a very large percentage of unemployed World War veterans in the camp had lost their jobs because of their attitude toward their work.

While these cases do not cover enough examples to be conclusive, each indicates a different part of the unemployment problem which faces us. It is not alone the difficulty of finding jobs; it is also that of preparing for the jobs in existence. We should recognize that our programs of training and placement are at fault.

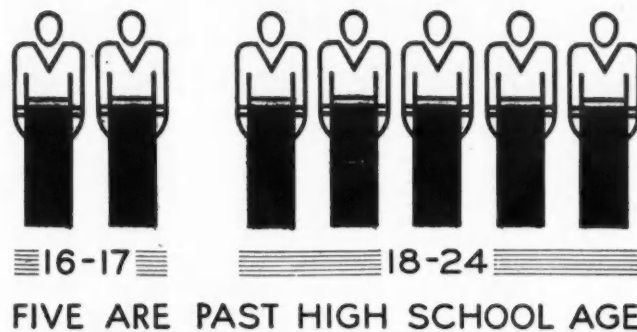
## Joint Responsibility

This is a joint responsibility for schools and the students themselves. Competition for jobs is keener now than it has ever been and since the demand of the industry and the professions are more exacting than ever in our history, it comes the young person's duty to prepare himself more carefully than ever before if he expects to succeed. Many of those who have lost their jobs because of the introduction of machinery, as well as many of those who have never been able to find jobs, are the least efficient and most poorly prepared for specialized work. Moreover, a young person should be familiar with the lines of work that are the most crowded, and thus offer the least opportunity, and with the lines of work which would seem to hold out the greatest advantages for future employment and advancement.

One cannot be sure, of course, that there will be openings in a few years for jobs which a young person is preparing himself for today. Conditions may well change in the future as they have in the past, and more fields overcrowded. But it would be risky for a person to train himself for a profession in which the chances for success, except in very rare cases, are slim. As the Youth Commission says, "Since our country needs and uses profitably only a certain number of physicians, lawyers, teachers, ministers, engineers, and technicians of all sorts, it seems only logical when the number of trained men in these respective fields has been reached it is wise and uneconomical to train more."

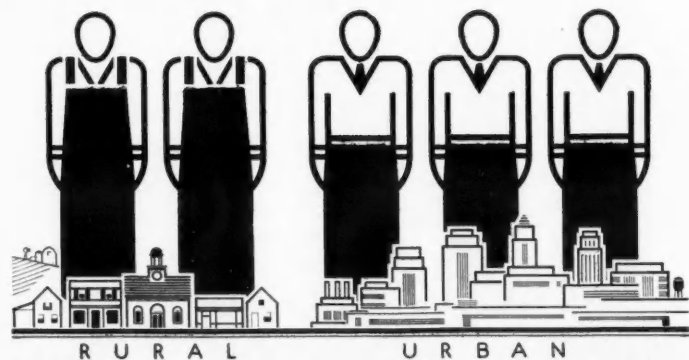
But the responsibility does not stop there. The youth problem is an individual one since it affects everyone in his quest for a job and a career. It is also a social collective problem since its roots lie in the adjustments in the present economic conditions. The young people of today will be the leaders and leaders of tomorrow. If the mistakes of the past and present are to be avoided, it will be through the action of the youth of today, and through them the Youth's responsibility is not only in seeking and realizing the opportunities that are open to it as individuals, but to make possible opportunities for youth as a whole. Only in this way can the American Dream be realized, the Promise of American life fulfilled.

## AGE OF YOUTHS ON RELIEF OF ANY SEVEN



TWO CHARTS BY COURTESY OF THE NATIONAL YOUTH ADMINISTRATION

## TWO OUT OF FIVE YOUTHS ON RELIEF LIVE IN RURAL AREAS



EACH FIGURE REPRESENTS 600,000 YOUTHS

## Many Ill-Prepared

Black as the picture we have painted really is, it is not without its brighter side. Opportunity for youth has not completely dried up. The old saying that there is room at the top for the best still holds true in a good many cases. Youth itself should face the problem realistically and then govern itself accordingly. Lack of jobs is not the sole cause of the present situation. Many young people have either failed to prepare themselves for work or have prepared themselves in a slipshod manner. Here is what the preliminary report of the American Youth Commission has to say on this subject:

We have discovered that . . . many of the unemployed youth are out of work because they are unable to qualify for positions avail-